LOCAL

BC Egg Marketing Board 2017 Annual Report

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Vision

A sustainable and growing BC egg community that meets the values of consumers while being socially and environmentally responsible.

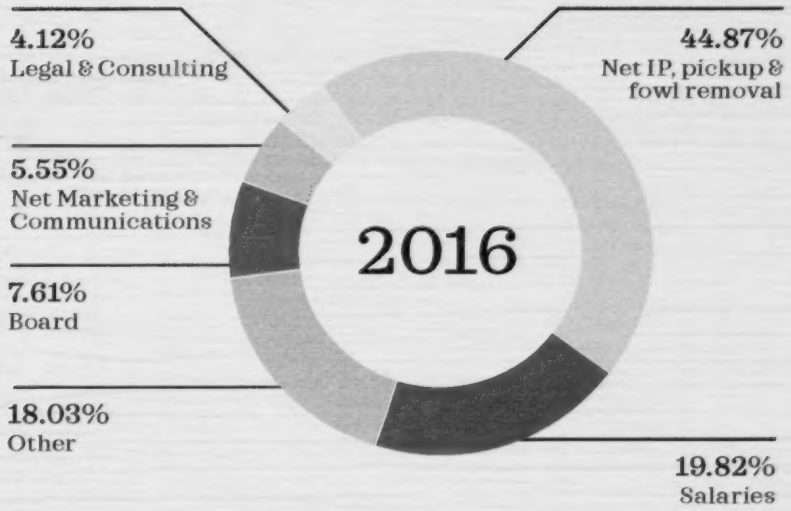
Mission

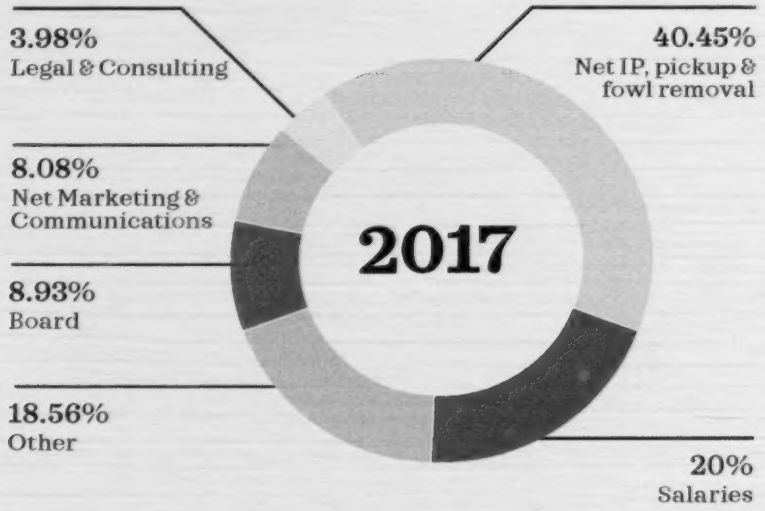
To engage stakeholders to meet the demands of the marketplace.

- Making principle based decisions based on SAFETI guidelines
- Building trust through transparency, engagement, and integrity
- Providing high value support to partners to help them have success in an ever changing market
- Continuously improve standards on animal welfare, safety, and sustainability

Industry
AT A GLANCE

Distribution of Expenses





	Net IP, pickup & fowl removal	Board	Net marketing & communications	Salaries	Legal & consulting	Other
2016	$ 2,658,652	$ 451,026	$ 328,843	$ 1,174,344	$ 244,404	$ 1,068,292
2017	**$ 2,238,154**	**$ 494,009**	**$ 447,136**	**$ 1,106,237**	**$ 220,191**	**$ 1,026,825**

Gradings Report

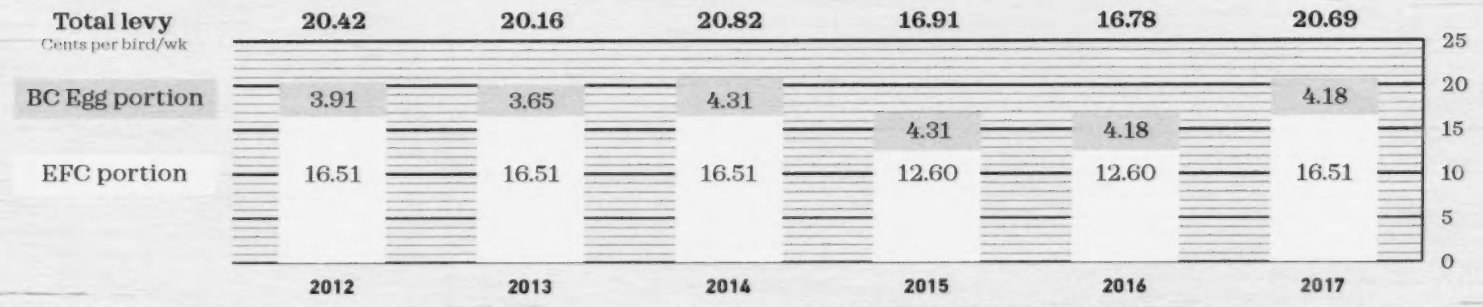
2016

	Dozens	Dollars
Regular	**63,858,717**	**124,889,270**
White	57,336,331	111,441,782
Brown	6,522,386	13,447,488
	Dozens	Dollars
Specialty	**16,571,293**	**48,582,428**
Free Run	5,935,040	14,626,905
Free Range	5,220,925	14,842,401
Organic	5,415,328	19,113,121
Total	**80,430,010**	**173,471,697**

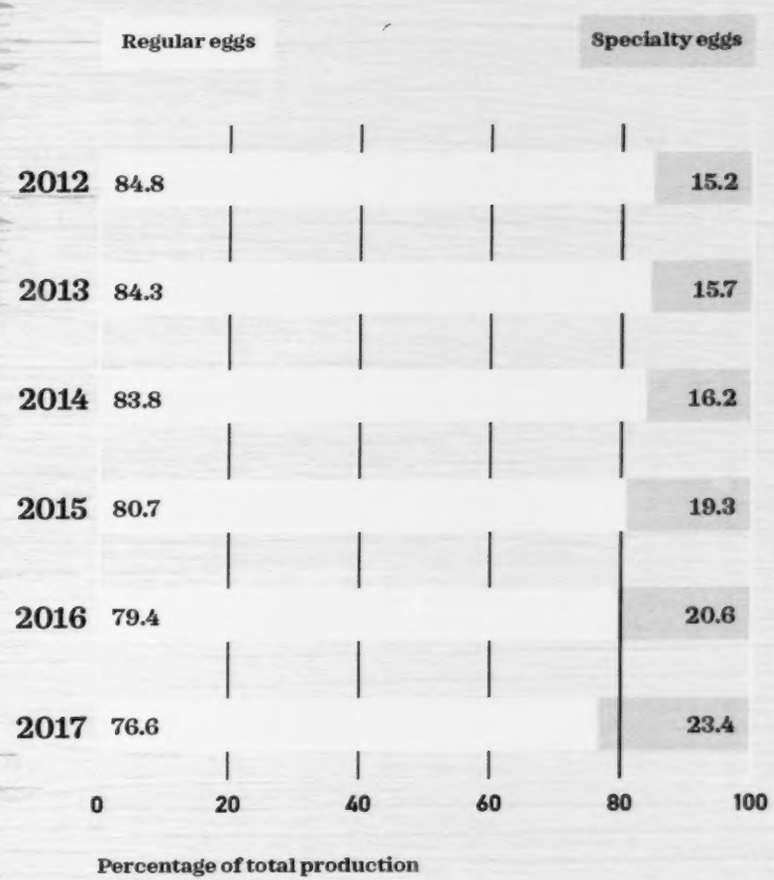
2017

	Dozens	Dollars
Regular	**63,024,615**	**130,717,227**
White	56,164,838	115,689,614
Brown	6,859,777	15,027,612
	Dozens	Dollars
Specialty	**19,299,595**	**57,665,838**
Free Run	8,054,829	20,421,051
Free Range	5,605,429	16,402,790
Organic	5,639,337	20,841,996
Total	**82,324,209**	**188,383,065**

Levy paid by registered producers



Egg Production by Type



Total Farm Gate Cash Receipts

Types of Eggs

Standard White Eggs
These eggs come from white hens that are typically raised in conventional housing systems.

Standard Brown Eggs
These eggs come from brown hens that are typically raised in conventional housing systems.

Free-Run Eggs
These eggs come from hens that are raised in free-run (barn or aviary) housing systems. Free-run systems allow hens to roam freely within a barn, while also providing nesting boxes and perches.

Free-Range Eggs
These eggs come from hens that are raised in free-run (barn or aviary) housing systems, which also provide access to the outdoors (when weather permits).

Organic Eggs
These eggs come from hens that are raised in free-range housing systems. The hens are only provided feed that has been certified organic and roam outdoors on pastures that are also certified organic.

Chair's Report

I'm honoured to be appointed Chair of the BC Egg Marketing Board and am looking forward to serving the BC egg industry during my three-year term. I'm fortunate to be stepping into this role during a period of sector growth, development and continued success. Congratulations to BC Egg management, staff, directors, and committee members for their outstanding work and to all BC egg producers for their commitment to supplying the marketplace with local, high quality, delicious products. Market demand for conventional and specialty eggs is on an upward trajectory in BC and our producers and processors lead the country in responding to changing market needs. Our industry's focus on food safety, animal welfare, transparency and support for family farms continues to strengthen public trust in the BC egg sector.

The BC egg sector's highlights in 2017 include: Continued growth in egg production and farm revenues! Production of eggs by registered producers in BC totalled 82,324,209 dozen in 2017, a 2.3% increase from 2016. Total farm gate cash receipts reached $188,383,065 an increase of 7.9% over last year.

- BC's commitment to providing consumer choice is exemplified in the diversity of eggs available at retail as production of specialty eggs increased to 23.4% of total egg production in BC, compared to 20.6% in 2016. BC's percentage of specialty production continues to be the highest in Canada.

- The New Producer Program continues to bring in new producers through a robust qualification process and draw. To date, new producers account for 19% of registered producers and 3.5% of overall quota holdings in BC.

- BC received a national allocation from the Egg Farmers of Canada for 99,971 additional layers and obtained approval from BCFIRB for quota distribution in March 2017. Currently 3,009,038 layers are in production under quota in BC. There are 131 registered producers.

- The revised national Code of Practice for the Care and Handling of Pullets and Laying Hens ('the Code'), and BC's Specialty Egg Production Manual were finalized and released this year, supported by implementation strategies to ensure industry compliance to rigorous animal welfare and production standards. This manual is supported by *Growing Forward* 2, a federal-provincial-territorial initiative.

- Transition to non-conventional housing is moving at a manageable rate — in step with market demand — reaching 30.7% of total BC egg production in 2017. BCEMB continues to promote and monitor market acceptance of enriched housing as a viable alternative to conventional caged production. Market demand remains high for affordable eggs for price-conscious consumers and further processors where every price point counts.

2018 promises to be a year of continued growth and transition, with an additional national allocation from the EFC and a focused effort by BC Egg to streamline the quota distribution process through stakeholder consultations, expanded market knowledge, and BCFIRB support and approval.

We're looking forward to an updated quota assessment process designed to improve quota availability, reduce barriers to entry, and promote sector growth. BC Egg will continue to refresh the strategic plan, refine market forecasting models, and implement pricing policies to ensure a fair return to producers. In collaboration with national agencies, BC Egg will continue to monitor the trade negotiations and manage related issues to minimize the impact on markets and the egg supply chain. We will also launch a joint public relations initiative with the other supply managed boards in BC to promote the benefits of supply management and counteract the negative messaging coming from the trade negotiations.

I look forward to working with you all in the coming year.

Gunta Vitins
Chairperson

Executive Director's Report

We are very excited to have a full team of skilled and knowledgeable staff after a couple of years of high turnover. Joining us in 2017 were: Alyssa Gagnon and Jason Mann on our Accounting team; Scott Miles joined the Operations team; Courtney Roersma joined the Admin team; and Charlotte Watts joined the Communications team in a part-time capacity.

One of the largest projects we accomplished in 2017 was FIRB's Quota Assessment Tools Review. FIRB wanted us to complete a very broad consultation so we asked producers and the public to participate in our survey. We brought in-person workshops/discussions to Vancouver Island, the Interior and the Fraser Valley to get more feedback. We even created a page on our website dedicated to sharing information about the Quota Assessment Tools Review. The other supply managed boards also completed the review and submitted the findings to FIRB. The results are expected by mid-January 2018.

We are pleased that we contributed to the Code of Practice for the Care and Handling of Pullets and Laying Hens. The Code was finalized in 2017 and we distributed it electronically to all producers. Hard copies are available in the office for anyone who needs one.

We ran two quota exchanges in 2017. The March exchange saw 3,609 quota units purchased by Vancouver Island producers. The December exchange had 3,800 quota units from the Lower Mainland for sale. These units were purchased by 18 registered producers.

We held a New Producer Draw at the beginning of the year and 11 new producers were selected. They are:

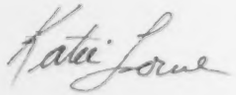
- Amy Hoock
- Brayden Joiner
- Krista Harris
- Bonnie Bredenhof
- Sarah Schroeder
- Jared DeDood
- Ross Springford
- Gabriel Charriere
- Marinus and Pauline Neels
- Willem Poortvliet
- Hugo Garcia

These new producers will have phased in start dates depending on their production type and location.

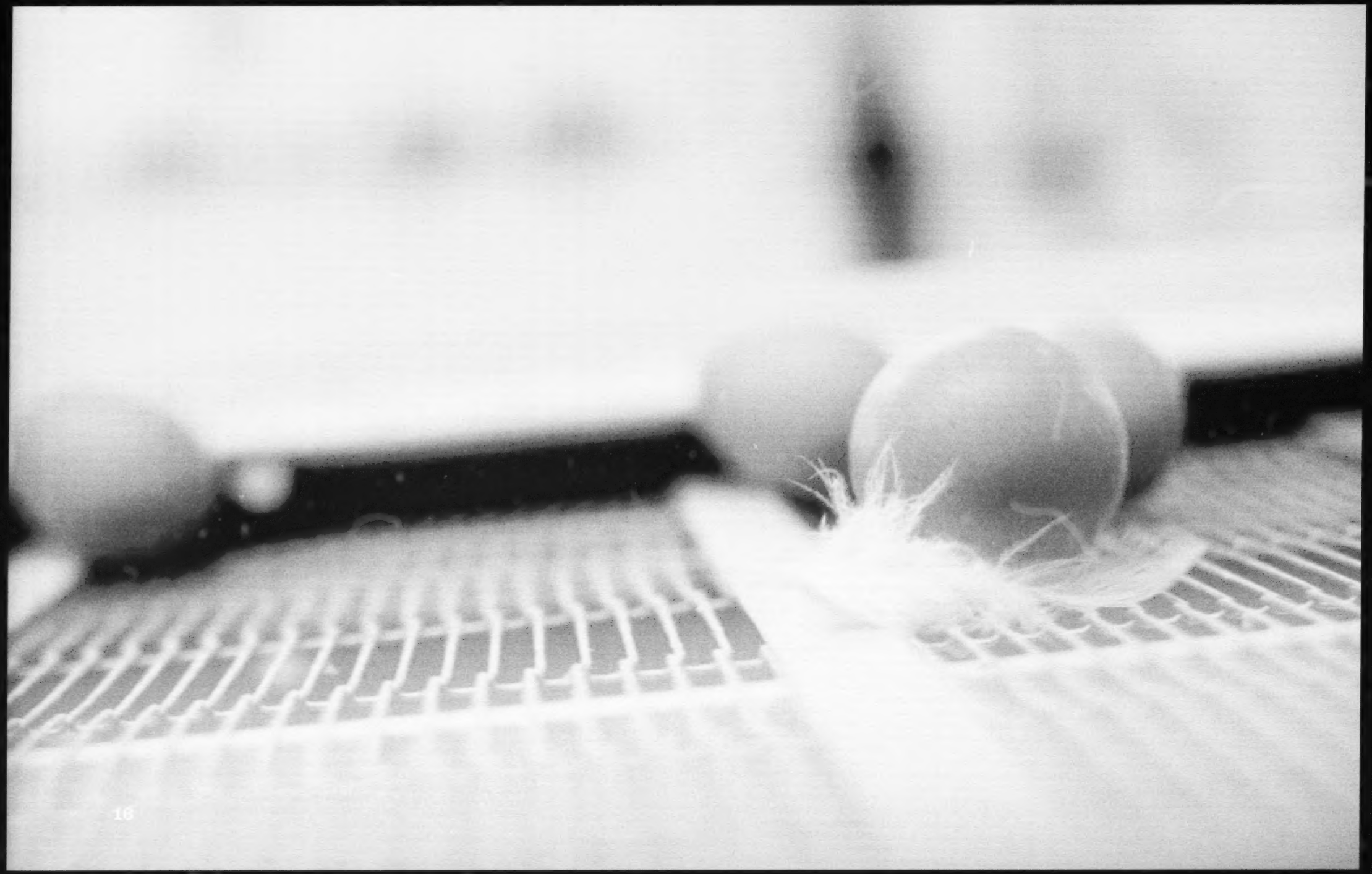
Late in 2017, BC Egg began work on a New Producer Draw focused on the Creston Valley that will take place in early 2018.

Finally, BC Egg was pleased to finalize the Specialty Egg Production Manual and distribute it to all specialty producers. This manual is supported by *Growing Forward* 2, a federal-provincial-territorial initiative. Because BC is the first province to introduce free-range standards, we held a public launch after training free-range producers. There were a number of positive news stories about the new standards.

We look forward to working closely with our committees and all producers in 2018.



Katie Lowe, P.Ag.
Executive Director



EFC Director's Report

This past year was a strong one for Canada's egg industry, and we are ending 2017 with significant advances on a number of files. Set aside for a moment the international trade issues that dominated the news, and the progress we have made over the last year comes clearly into focus.

In 2017, the Canadian market grew for the 11th consecutive year, with a 4.5% increase in the retail sales of table eggs. During the same period, an additional 1.5 million hens were added into production. This growth is significant, and we have been working hard to make it happen smoothly. Needless to say, the Egg Farmers of Canada (EFC) Board remains committed to working with Farm Products Council of Canada to meet growing demand for eggs by bolstering production on our farms.

We also made significant advances on several other fronts by leveraging collaboration within the industry and a commitment to scientific evidence. Take, for example, the new Egg Quality Assurance (EQA) Program, which will begin to roll out in 2018. EQA encompasses the standards in our existing Start Clean-Stay Clean™ and Animal Care Program under one easy-to-identify mark.

We know that Canadians want to know where their food comes from, and want the assurance that it is produced according to the highest possible standards. The EQA mark will tell consumers, right on the egg carton, that their eggs come from farmers dedicated to producing a top-quality product that meets the highest food safety and animal care standards.

Behind these programs is a commitment to scientific evidence and continuous improvement that builds confidence in the standards in place on farms across the country. This commitment was evident in July, when the EFC Board unanimously voted to move ahead with implementation of the new Code of Practice for the Care and Handling of Layers, in line with the timelines outlined in the Code.

This decision follows four years of in-depth scientific evaluation and rigorous debate, which led to the release of the revised Code of Practice by the National Farm Animal Care Council. The Code marks the first time housing standards for enriched housing systems are defined in Canada. This was a critical outcome for our industry. It gives producers guidance and supports the transition away from conventional housing.

One year into the transition that was announced in 2016, we have refined our ability to track progress, and will continue to push forward to safeguard the egg industry in Canada and meet the demands of the market and our customers.

The challenges we met in 2017 have been on the international front. There were two big trade stories in 2017, both initiated by the new US administration. First, there was the snap decision to pull the US out of the Trans-Pacific Partnership, and then the decision to reopen the North American Free Trade Agreement.

It is easy to get lost in the trade issue, with its unexpected twists and news. But there is one constant, and one thing to remember as we head into 2018: as these issues unfolded in 2017, we were there to advocate on your behalf, and we will continue to do so as these trade negotiations progress.

We will continue, as we did throughout 2017, to press our government to support family farms, and uphold the system of supply management that delivers not just the fresh, high-quality products that Canadians want and enjoy, but also food security to our communities.

Canada is a vast country, with a range of climates and landscapes and a diverse population spread out over a large area. This reality makes issues of food security tremendously important. Our system enables the production of a product that is both nutritious and affordable across the entire country, including in regions where it may be the only locally produced food item on store shelves.

We will continue to work together to tell this story, and by telling it build trust in our industry. This commitment to build trust transcends everything we do—from the world-class standards on our farms, to giving back to our communities through partnerships with food banks and breakfast programs, to strengthening our practices through investments in research and innovation.

Part of this story is our continued dedication to nurture the system of supply management. Our success today and moving forward, lies in our ability to set aside regional differences and strengthen the core of our system through collaboration. To this end, the EFC Board was pleased to have reached an updated Industrial Products Pricing Structure and Protocol with egg processors after steady progress throughout the year. In November, an equitable and evidence-based solution was achieved that would maintain both a strong processing sector and a vibrant egg industry.

As we head into 2018, bumps on the road are inevitable. It is impossible to know what surprises the year will bring but I find comfort in knowing that we will be tackling the coming challenges together, united by the drive to deliver the best possible product to our families, to our neighbours and to the millions of Canadians who rely on our product.

To my colleagues at the national table and in my province, to the staff and to farm families all across the country, I want to express my heartfelt thanks for your ongoing dedication and commitment that makes this all possible.

Respectfully submitted,

Walter Siemens
EFC DIRECTOR

Committee
REPORTS

Committee Reports

Audit and Finance Committee Report

The Audit and Finance Committee's responsibility is to provide assistance to the Board of Directors in fulfilling its fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, and internal control functions of the British Columbia Egg Marketing Board.

The committee's primary duties are to advise the Board of Directors and to make recommendations that support and assist producer members by:

- Reviewing the annual financial statements as prepared by the auditor,
- Reviewing the system of internal controls that has been established and implemented by management,
- Reviewing and approving the auditors' annual audit plan and any other non-audit work performed, and
- Reviewing management-prepared budgets and financial statements.

This past year marked the first time the committee had two external members, alongside two producer members, participate actively in committee work. Both external members complemented the team by offering not only extensive public and private accounting knowledge, but also industry experience.

In addition to the duties listed above, the committee reviewed an updated Expense Policy for the board of directors, provincial levy review, and assisted in the development of a Surplus Cash Investment Policy.

I would like to express my appreciation to the management and the Audit and Finance Committee for their support and contribution. The committee was comprised of the following valued members: Don Bernard, Art Friesen, Bodo Goetzke, and Jim Timmerman.

Respectfully submitted,

Amyn Alibhai
AUDIT & FINANCE COMMITTEE CHAIR

Production Management Committee Report

The PMC was pleased to award the second annual Producer of the Year Award to Randy Dahl of A&M Poultry. Randy's nominators told us how he not only manages his own farm but is an avid participant in industry meetings and is always ready to help out a fellow producer in need.

The PMC is particularly proud of the fact that the Specialty Production Standards were released in the summer. The manual was made available to all specialty producers and training sessions took place in August. The public release of the new standards happened in October and generated a lot of positive media attention.

In the aftermath of the horrific chicken catching video that was released in June, the PMC recognized the need to develop audit controls and provided input on catching standards that will apply to the entire poultry industry.

EFC made a number of proposed changes to the Start Clean, Stay Clean program and we were able to provide feedback and suggestions for improvements to the proposed changes even though we had a very tight deadline.

PMC Chair Fred Krahn attended the national PMC meetings where a number of important and interesting topics were discussed including: specialty pricing; industrial product; the redevelopment of the Animal Care Program to incorporate the new Codes of Practice; and the new national certification program (Egg Quality Assurance).

Respectfully submitted,

Fred Krahn
CHAIR

BC Council of Marketing Boards Report

The BC Council of Marketing Boards (COMB) is a voluntary association of the Baords and Commissions that are established and operating under the authority of the Natural Products Marketing (BC) Act (NMPA).

COMB's purposes are:

i) To promote and uphold the principles of regulated and orderly marketing of agricultural products;
ii) To develop and promote policies important for efficient orderly marketing, and
iii) To facilitate the solution to problems of mutual concern to COMB members.

The types and numbers of member Boards/Commissions has changed over time. When it first started, COMB had 15 member Boards/Commissions. Today COMB has 8 members:

BC Broiler Hatching Egg Marketing Commission;
BC Milk Marketing Board;
BC Egg Marketing Board;
BC Vegetable Marketing Commission;
BC Chicken Marketing Board;
BC Turkey Marketing Board;
BC Hog Marketing Commission; and
BC Cranberry Marketing Commission.

COMB offers professional development sessions under the auspices of COGA (Centre for Organizational Governance in Agriculture). These sessions have always been funded with support from the Investment Agriculture Foundation of BC.

COMB's role as a service provider began around 2004 after the BC Farm Industry Review Board (FIRB) developed election policies for the Marketing Boards/Commissions regulated under the NPMA. COMB initially offered services as the Independent Election Officer, and then expanded its services to conducting the Board surveys that FIRB asks the Boards/Commissions to undertake.

In 2017, COMB hosted five COGA Sessions- four in Abbotsford, and one in Nanaimo. These sessions focused on: *Young Farmers and the Future of Farming; Media Training; Crisis Management; Building Capacity- Governance Issues for Today; and Building Capacity- Meetings, Rules & Effective Decision Making and Making the Transition under the New BC Societies Act.*

In 2017, COMB acted as the Independent Elections Officer for ten elections, and five surveys. COMB also conducted an annual Director's Compensation Survey to enable its members to compare their rates to other, similar organizations. Additionally, COMB hosts two Chairs' and Managers' meetings each year to allow member organizations to meet informally to discuss items of mutual interest.

Kristianne Hendricks, M.A.
COMB GENERAL MANAGER

Committee Reports

BC Egg Producers Association Report

This year the BC Egg Producers Association moved forward with implementing the new mission statement and strategic plan from 2016. With the change in government and many new faces representing our province, we have begun building relationships with the new government through a strong representation at Ag Days in Victoria. This presented many great opportunities to begin educating our representatives about supply management and the progressiveness of the BC egg industry. We look forward to continuing to work hard to ensure that our political leaders have at least an understanding of our industry.

In our efforts to unite the egg producers of BC, we dissolved the Fraser Valley and Interior Egg Producer Associations and focused on working together to achieve our goals. We hosted our first producer education session in Abbotsford and began developing a schedule to hold sessions in all regions on a more regular basis. We believe this will become an essential part of our industry in BC as we continuously strive to improve in all areas of our farms. We also launched our mentorship program for the new entrants by hosting a farm tour and matching each new entrant with a mentor in the industry.

The BCEPA decided to take a supportive role on educating the public by encouraging producers to work with the BCEMB on their marketing campaign. And as usual, we've spent a lot of time reviewing policies and making recommendations on all areas of our industry to ensure that as the industry continues to evolve the changes are as practical and effective as possible, enabling us to continue providing fresh, safe, local eggs to the people of BC.

Mark Siemens
PRESIDENT

Marketing and Communications Committee Report

The purpose of the Marketing and Communications Committee is to provide staff and the Board of Directors with advice in regards to marketing plans and individual events. The committee held its inaugural meeting in 2017. This first meeting was a course in Eggs 101 for the committee members who were eager to learn about our sector.

Each member of the committee has many years of experience in areas such as marketing, consumer research, media buying and more. They are also egg consumers and can provide a fresh perspective to BC Egg's marketing plans.

This past year, the committee helped to focus the 2017 Strategic Marketing Plan (which had been written before the committee was struck); provided feedback on various marketing efforts throughout the year; and reviewed research and provided advice on the 2018 Strategic Marketing Plan.

We thank the committee members for their hard work and dedication.

Jennifer Woike, Chair
Greg Waring, Kal Tire
Carrie Barlow, Barlow Media
Julie Winram, Sentis Research

Egg Industry Advisory Committee Report

The Egg Industry Advisory Committee (EIAC) is made up of an independent chair and three grader/processor representatives and at least three producer representatives. In addition, the Board of Directors can appoint other members to broaden the experience of the committee as a whole. In 2017, the members of the EIAC include:

- Marvin Friesen, Chair
- Frank Curtis, grader (Golden Valley)
- Scott Janzen, producer Vice Chair
- Jon Krahn, producer
- Ralph Regehr, producer/grader (Pinegrove)
- Mark Siemens, producer
- Mike Vanderpol, processor (Vanderpol's Eggs)

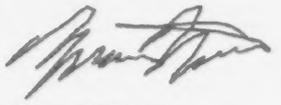
The committee's existence provides a forum for graders and producers to have discussions in a non-prejudicial and constructive manner. The committee provides the Board of Directors with non-binding recommendations in all matters involving production or pricing. The EIAC plays an integral role in helping the Board to maintain the egg industry's stability in the province, this includes reviewing the market demands for eggs, reviewing and providing feedback on COP decisions that affect the producer price, and reviewing the quota allocation model.

In 2017, the EIAC provided the Board of Directors with information on the demand for different products and how it affects the graders and processors. It also provided advice on how Board decisions would affect the demand for various egg products.

For example, specialty pricing and specialty buy back were discussed extensively in 2017. The EIAC also provided feedback on how best to manage the transition out of cages in order to meet the deadlines set by the Codes of Practice. In addition, the EIAC provided feedback and recommended acceptance of the new specialty certification standards.

The EIAC is pleased to work with Executive Director Katie Lowe and Manager Operations Joey Aebig on many projects including the forecasting model that predicts the demand for various types of eggs.

Thank you to all the committee members for your hard work in 2017.



Marvin Friesen
CHAIR

2017 Market Review

The big story of 2017 has been trade. Both NAFTA and TPP are being negotiated and the new US administration has created some challenges with both agreements.

NAFTA was supposed to be signed by the end of 2017 but that didn't happen despite an aggressive schedule set by all three parties. The US has made a number of demands that are non-starters for Canada and/or Mexico. The one that most concerns us as egg producers is the 10-year phase out of supply management. Egg Farmers of Canada, together with the other SM5 commodities, have lobbied the federal government and attended many of the negotiation sessions to ensure supply management remains strong. Fortunately, the Canadian government agrees with SM5 and has never allowed supply management to be a bargaining chip.

The Transpacific Partnership (TPP) was shaken up earlier in 2017 when the US pulled out of the agreement. Many of the signatories wanted to honour the original commitment; however, without the US, the agreement to allow 5% egg imports to Canada could seriously damage Canadian egg producers. The federal government is looking to make a better deal for Canada.

In late December, we learned that BC would be getting an allocation of 108,741 quota units. BCFIRB has requested that BC Egg conduct a fulsome consultation on how to distribute this allocation before they consider approving it. A survey was sent to all producers as well as other interested stakeholders. A second phase of consultation will take place after results from the initial survey have been received and a final report will be sent to FIRB in March 2018.

National table egg sales have gone up for the eleventh straight year. We achieved a growth of 4.5% nationally in 2017. Throughout this period of sustained market growth, BC egg farmers have continued to do a very good job of meeting local supply with demand to provide BC residents with choice. In 2016, our utilization rate was 97.57% and as of December 21, 2017, our utilization rate was 96.53%. Beginning January 2018 we will be reintroducing a Market Growth Allowance to move us closer towards our 100% utilization rate goal.

BC already produces more specialty eggs than any other province or territory. In 2017 we surveyed our producers to see when they plan on transitioning out of conventional cages. Currently, 67.61% of hens are housed in conventional cages. This number is projected to drop to under 50% by 2025 (Retail Council of Canada's date to only sell eggs from cage-free hens) and to 5.48% by 2032 (in compliance with the new Codes of Practice). We feel confident that BC producers will be able to meet the demand for specialty product for the foreseeable future.

Marketing Update

The goals of the 2017 Strategic Marketing Plan included: easing the transition to specialty eggs; increasing trust in egg farmers; and promoting BC Egg. We ran several programs and held many events to reach our target audiences of Moms, Millennials and Foodies.

We participated in two major agricultural fairs (Abbotsford AgriFair and the PNE) that reached over 200,000 people. We brought our live hen display and answered many questions from consumers about farming, nutrition, egg types and more. We handed out lots of sticky hands to the kids and recipes to the adults. Both events were huge successes with the organizers asking us to return in 2018.

Other in-person events included 10 *Ask an Egg Farmer* sessions with Save On Foods stores in downtown Vancouver, Langley, Surrey and Chilliwack. Producers spend a couple of hours in the stores answering questions from shoppers, handing out recipe cards, and even talking to store employees about eggs.

Moving to the online world, Kiran Cheema, Communications Assistant, ran incredibly robust social media program. We moved from only sharing recipes, to sharing information about farming, egg nutrition, our participation at events, *Meet the Farmer* video series, and even some recipes.

We invested a small amount of money to promote several posts - including all the *Meet the Farmer* videos - in order to increase their reach. This technique worked well as we had an average of 10,000 views of each video with a high of 20,000 views. We also promoted posts about events to people in the communities where the events were taking place.

Also in 2017, we began a more strategic sponsorship program. One of our larger sponsorships was the BC Lions. The Lions worked with us to create opportunities for producers to be able to interact with fans at Fan Fest, pre-game street parties, and an *Ask an Egg Farmer* event at Save On Foods. Other sponsorships included the Egg/Turkey Golf Tournament, the Agriculture for Autism Golf Tournament, the BMO Vancouver Marathon Kids Run, CIBC Run for the Cure, Rocks and Rings, Bite of BC, Outstanding Young Farmer program and more. We are working hard to ensure that our ROI on sponsorships is high.

Finally, we advertised on radio and in print publications as well as online. We ran two types of radio ads in larger urban centres in BC. Outside of the Lower Mainland and Victoria, we ran 30 second ads featuring producers talking about their farms. In the Lower Mainland and Victoria, we ran 10 second traffic and weather tags. Each campaign lasted for two weeks and was repeated every two months for the majority of 2017.

Our print ads focused on our Foodie target audience and appeared in magazines such as Eat, Edible and the online version of Canadian Living. They featured a picture of a producer and facts about BC's egg sector.

We have many more plans for 2018 and look forward to working with producers to bring them to fruition.

In the Community

SheWay

BC Egg donates 30 dozen eggs each week to SheWay. Sheway is a Pregnancy Outreach Program located in the Downtown East Side of Vancouver. The program provides health and social service support to pregnant women and women with infants under eighteen months who are dealing with drug and alcohol issues.

Breakfast Club of Canada

BC Egg began a three-year sponsorship with Breakfast Club of Canada in 2016. BC Egg provides financial support to breakfast programs in British Columbia and many BC farmers donate eggs to local schools. This year, BC Egg staff and egg farmers teamed up numerous times to make breakfast for elementary school children and collaborated on a video.

Ask an Egg Farmer

Local egg farmers have been setting up tables at local grocery stores all year to help educate consumers on how eggs get to their table. They answered questions about eggs and egg farming, handed out recipes and coupons and got to know the families they feed. The events have been a huge success and have received positive feedback from store staff, producers and consumers.

Take a Bite of BC

BC Egg works with BC Agriculture in the Classroom to provide eggs to school teaching kitchens throughout the school year. The program provides an opportunity for Chef Instructors to feature locally grown products while students gain experience working with fresh products and learn about the benefits of eating local.

Food Bank

BC Egg office staff routinely help out at the Abbotsford Food Bank's distribution centre. They help sort and organize food donations and staples into 19 different categories based on food type, nutrition, and quantity. This year, BC Egg staff also collected food donations in the office and toy donations for the Abbotsford Christmas Bureau during the annual Producer Christmas Reception.

PNE & AgriFair

BC Egg had a busy summer with the AgriFair and PNE. BC Egg staff and local producers were on site each day to hand out swag to fairgoers while educating them on the egg industry. Visitors also had the chance to see live hens in our new enriched cage.

Board of Directors

Gunta Vitins

Gunta Vitins has been spearheading innovative agri-food initiatives in the public and private sectors for over 25 years. Her work experience spans government, academia, business and industry development, agricultural production, processing, sales and marketing.

Originally hailing from Quebec with degrees in Agriculture and an MBA from McGill University, Gunta joined the BC Ministry of Agriculture in 1991 where she worked as a manager in market development for 5 years. From 1998 - 2010, Gunta held senior management positions at Pro Organics and SunOpta Inc, global leaders in organic and natural foods. Gunta was active on Agriculture and Agri-Food Canada's Organic Value Chain Roundtable from 2007 - 2015 which included roles as Industry Co-Chair, and Chair of the Market Development Working Group. Gunta is also past President of the Canada Organic Trade Association and the Pacific Agricultural Certification Society.

Gunta currently runs an agri-food consulting business and is a member of the Resilient Solutions Consulting team. She lives in New Westminster with her husband and 2 active sons.

Fred Krahn

Fred Krahn was raised on a berry and poultry farm. Together with his brother, Fred expanded their layer operation to include broilers and turkeys. Later, they introduced feed, diversified into real estate, construction, and land development.

His desire to see the BC egg industry become effective at the national level motivated Fred to become involved in marketing boards at their inception. As a result, Fred has served in various capacities, on numerous boards and associations including the BC Egg Marketing Board, BC Chicken Marketing Board and Egg Farmers of Canada.

Presently, he is a director on the BC Egg Marketing Board. Fred and his wife Judy have three sons, one daughter and numerous grandchildren. They are pleased that their sons are all involved in the family business.

Amyn Alibhai

Amyn has been a Director with the BC Egg Marketing Board since March 2010 and represents the BC Interior region.

Amyn grew up on his family's poultry farm in the Fraser Valley. He studied at Simon Fraser University and obtained a degree in Business Administration. After graduating, Amyn was recruited by HSBC Bank to work in their Commercial Banking Department.

In 2000, Amyn joined his father in managing the Alibhai family's egg layer farms and operating their egg grading business in Kamloops. Amyn has since been involved in many different areas of the egg industry's production and grading sectors.

He has been President and Director of both the BC Interior Egg Producers Association and of the BC Egg Processors Council, as well as served on various industry committees. As a member of the Board of Directors at BCEMB, Amyn is serving as the Chair of the Finance and Audit Committee. He was also the former Chair of the Production Management Committee.

Walter Siemens

Walter Siemens has been an egg producer since 1986. Walter has served in various capacities and committees within BC's poultry industry and currently serves on the National Board of Directors; involved in Budget, PMC, Specialty, and the Animal Care committees.

Walter and his wife, Annette, have four children, two sons (both now married) along with two daughters — one of whom is also married, while the other is in university.

"I enjoy serving the egg industry and it's a great way to support and raise a family... and now to see the next generation arriving is truly a blessing to us."

Walter and Annette now have 4 grandsons and a very recent addition brings them their first granddaughter.

Walter and his family have recently completed a period of farm rejuvenation and expansion as old buildings were torn down and replaced with new barns designed to meet numerous egg type and market needs. It's a busy time indeed, but quite an enjoyable phase of life as the children take on various roles and responsibilities of the day to day farming and are embracing the challenges that arise.

Jen Woike

Jen Woike has lived in the Cowichan Valley for 24 years. During this time she has been involved in many community activities, including major fundraisers such as The Big Squish (CDH mammography machine), Queen of Angels School Galas and Funfairs, Cowichan Search & Rescue, and is currently working with Alexander School to fundraise for a new kitchen for their breakfast program. Along with her husband Ian, they own and operate Farmer Ben's Eggs, the Island's largest egg production farm and wholesale grading operation. Jen and Ian were the 2009 recipients of the Outstanding Young Farmers of BC/Yukon Award, as well as the 2015 Black Tie Award for Business Achievement. Jen was the provincial chair for the BC Outstanding Young Farmers program from 2011-2014. She is in her second term as the Vancouver Island representative on the BC Egg Marketing Board. In this position she chairs the Marketing and Communications Committee and represents BC as the alternate director at the National table, as well as being Vice Chair of the Board. Jen was also instrumental in establishing the BC Egg Producer of the Year Award.

Currently Jen is the President for the Cowichan 2018 BC Summer Games and chairs a board of 17 directors.

In 2011 Jen was elected to City Council in the Municipality of North Cowichan where she chaired two committees: Agriculture and Parks & Recreation. She also sat on the Island Savings Center Commission and was Vice Chair for one year. She was pleased to be the North Cowichan representative in the CVRD's Sports Tourism initiative in her last year at council.

Jen has three active and enterprising children, and has been involved in all their schools at the Council and PAC levels.

The Board of Directors would like to express their thanks and gratitude to Brad Bond - the past Chair of the BC Egg Marketing Board. Brad's term ended on October 31, 2017. His stewardship was greatly appreciated.

Financial
STATEMENTS

Management's Responsibility

To the Members of British Columbia Egg Marketing Board:

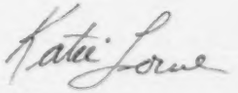
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit and Finance Committee are composed primarily of Members who are neither management nor employees of the Board. The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Board's external auditors.

PwC is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

March 2, 2018



Katie Lowe
Executive Director

Independent Auditor's Report

To the Members of British Columbia Egg Marketing Board:

We have audited the accompanying financial statements of British Columbia Egg Marketing Board, which comprise the statement of financial position as at December 30, 2017 and the statements of operations, changes in net assets and cash flows for the 52-week period then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Egg Marketing Board as at December 30, 2017 and the results of its operations and its cash flows for the 52-week period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter
The financial statements of British Columbia Egg Marketing Board for the 53-week period endedDecember 31, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 10, 2017.

Surrey, British Columbia
February 14, 2017

PricewaterhouseCoopers LLP
Chartered Professional Accountants

BC Egg Marketing Board
Statement of Financial Position
As at December 30, 2017

	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash (Note 3)	**6,705,869**	6,283,281
Accounts receivable	**8,631,152**	8,716,666
Term deposit (Note 4)	**1,000,000**	1,009,500
Prepaid expenses and deposits	**196,197**	190,613
	16,533,218	16,200,060
Capital assets (Note 5)	**207,858**	292,590
Long-term investment (Notes 6 and 15)	**2,911,686**	2,969,100
	19,652,762	19,461,750
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	**11,312,488**	9,664,651
Levies due to Egg Farmers of Canada	**984,431**	770,231
Government remittances payable	**19,684**	15,802
	12,316,603	10,450,684

	December 31, 2017	December 31, 2016
NET ASSETS		
Invested in capital assets	**207,858**	292,590
Unrestricted	**7,128,301**	8,718,476
	7,336,159	9,011,066
	19,652,762	19,461,750

Commitment (Note 7)

Guarantee (Note 8)

Subsequent events (Note 15)

Approved on behalf of the Board

Director
Gunta Vitins
Chair

Director
Amyn Alibhai
Chair, Audit and
Finance Committee

The accompanying notes are an integral part of these financial statements

BC Egg Marketing Board
Statement of Operations
For the 52 week period ended December 30, 2017

	2017 53 weeks	2016 52 weeks
Revenue		
Levies (Note 10)	**5,261,166**	4,942,704
Sale of eggs to grading stations	**188,383,064**	173,471,697
Purchase of eggs from producers	**(188,383,064)**	(173,096,049)
	5,261,166	5,318,352
Expenses (schedule)		
Administrative	**2,359,767**	2,459,023
Governance	**494,009**	451,026
Marketing	**212,551**	172,693
Communication	**234,586**	156,149
Producer rebate	**1,472,486**	-
Industrial product and other programs	**2,365,285**	2,506,800
	7,138,684	5,745,691
Deficiency of revenue over expenses before other items	**(1,877,518)**	(427,339)
Interest and other income	**314,025**	354,691
Equity loss on investment	**(111,414)**	(122,682)
Deficiency of revenue over expenses for the period	**(1,674,907)**	(195,330)

BC Egg Marketing Board
Statement of Changes in Net Assets
For the 52 week period ended December 30, 2017

	Invested in capital assets $	Unrestricted $	52 weeks December 30 **2017** **Total $**	53 weeks December 31 2016 Total $
Net assets, Beginning of Period	292,590	8,718,476	**9,011,066**	9,206,396
Deficiency of revenue over expenses for the period	(132,704)	(1,542,203)	**(1,674,907)**	(195,330)
Purchases of capital assets	47,972	(47,972)	-	-
Net assets - End of period	207,858	7,128,301	**7,336,159**	9,011,066

The accompanying notes are an integral part of these financial statements

BC Egg Marketing Board
Statement of Cash Flows
For the 52 week period ended December 30, 2017

	2017 52 weeks	2016 53 weeks
Cash flows from operating activities		
Deficiency of revenue over expenses for the period	**(1,674,907)**	(195,330)
Items not involving cash		
Amortization	**132,704**	194,964
Equity loss on investment	**111,414**	122,682
Interest accrued on advances to Central Agricultural Facility Limited	**(54,000)**	(54,000)
	(1,484,789)	68,316
Changes in non-cash working capital items		
Accounts receivable	**85,514**	(1,116,154)
Prepaid expenses and deposits	**(5,584)**	(34,529)
Accounts payable and accrued liabilities	**1,647,837**	3,232,907
Levies due to Egg Farmers of Canada	**214,200**	358,719
Government remittances payable	**3,882**	(12,028)
	1,945,849	2,428,915
	461,060	2,497,231
Cash flows used in investing activities		
Purchase of term deposits	**(2,000,000)**	(1,009,500)
Redemption of term deposits	**2,009,500**	-
Purchase of capital assets	**(47,972)**	(24,485)
	(38,472)	(1,033,985)
Increase in cash	**422,588**	1,463,246
Cash - Beginning of period	**6,283,281**	4,820,035
Cash - End of period	**6,705,869**	6,283,281

BC Egg Marketing Board
Notes to the Financial Statements

December 30, 2017

1. Incorporation and nature of the Board

The British Columbia Egg Marketing Board (the "Board") was established in 1967 under the Natural Products Marketing (B.C.) Act. The Board operates under the British Columbia Egg Marketing Scheme, 1967, respecting the control, management and promotion of the marketing of eggs in British Columbia.

The Board purchases eggs from producers for resale and acts as the B.C. agent for the Egg Farmers of Canada ("EFC") for collection of EFC's administration levies and industrial product levies, and administers various national egg marketing programs.

The Board's fiscal year ends on the closest Saturday to the end of December. The current fiscal year consists of 364 days (January 1, 2017 to December 30, 2017) and the comparative fiscal year consisted of 371 days (December 27, 2015 to December 31, 2016).

2 Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents
Cash and cash equivalents consist of cash and deposits with original maturities of three months or less and are held with a Canadian chartered bank.

Investments
The Board accounts for its 50% interest in Central Agricultural Facility Limited ("CAFL") using the equity method. Under the equity method, the investment is recorded at original cost plus the Board's share of undistributed earnings (losses) since inception. The statement of operations includes the Board's share of investee income or loss for the period.

The Board records its advances to CAFL at cost.

Capital assets
Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives as follows:

	Years
Automotive	4
Computer equipment	2-5
Office equipment	2-5
Leasehold improvements	10
Agricultural event displays	5

Revenue recognition
Revenues from the sale of eggs, including associated levies, are recognized on a weekly basis as the grading process is completed and collectability is reasonably assured.

Income taxes
The Board is a not-for-profit organization and is exempt from income taxes pursuant to subsection 149(1)(e) of the Income Tax Act.

Employee future benefits
The Board's employee future benefits program consists of a defined contribution pension plan. Contributions are expensed in the period in which contributions to the plan are incurred.

Use of estimates and measurement uncertainty
The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

2 Significant accounting policies (continued from previous page)

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Financial instruments
The Board recognizes its financial instruments when the Board becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transaction are initially measured at their carrying or exchange amount in accordance with Section 3840 - *Related Party Transactions* (note 11).

At initial recognition, the Board may irrevocably elect to subsequently measure any financial instrument at fair value. The Board has not made such an election.

The Board subsequently measures derivatives and investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment
The Board assesses impairment of all of its financial assets measured at cost or amortized cost. The Board groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers all factors in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Board determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period. If so, the Board reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the excess (deficiency) of revenue over expenses for the current period.

The Board reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the period the reversal occurs.

3 Trust assets and trust liabilities

At December 30, 2017, a cash balance of $110,000 (December 31, 2016 - $1,170,000) is currently held in trust for the successful applicants of the New Producer Program and $1,381,680 (December 31, 2016 - $8,639) is currently held in trust relating to deposits made for the December quota exchange. A corresponding liability of the same amount has been recorded for both amounts.

4 Term deposit

Term deposit consists of redeemable guaranteed investment certificate held with the Royal Bank of Canada, bearing interest at 1.58% and maturing in October 2018.

5 Capital assets

	Cost $	Accumulated amortization $	December 30 2017 Net $	December 31 2016 Net $
Automotive	66,820	66,820	-	-
Computer equipment	945,864	895,651	**50,213**	113,606
Office equipment	195,379	183,040	**12,339**	2,815
Leasehold improvements	524,805	400,899	**123,906**	176,169
Agricultural event displays	21,735	335	**21,400**	-
	1,754,603	1,546,745	**207,848**	292,590

6 Long-term investment

The Board's investment in CAFL includes the following

	December 30 2017 $	December 31 2016 $
Shares - 50% interest	**1**	1
Advances without fixed terms of repayment or interest	**2,119,530**	2,065,530
Advances without fixed terms of repayment, including interest at fixed rate of 3%	**1,800,000**	1,800,000
Equity loss since inception	**(1,007,845)**	(896,431)
	2,911,686	2,969,100

BC Egg Marketing Board
Notes to the Financial Statements
December 30, 2017

Because CAFL reports its financial activities on a calendar year, its financial statements as at December 30, 2017 are not available and accordingly the Board used CAFL's December 31, 2017 financial statements to report its equity interest.

CAFL's condensed financial statements for the year ended December 31, 2017 showing the Board's 50% share are as follows:

	2017 $	2016 $
CONDENSED BALANCE SHEET		
Assets	3,912,764	4,008,412
Liabilities	4,920,607	4,904,842
Shareholders' deficiency	(1,007,843)	(896,430)
	3,912,764	4,008,412

	2017 $	2016 $
CONDENSED STATEMENT OF OPERATIONS		
Revenues	268,120	260,204
Expenses	(379,534)	(382,886)
Loss for the year	(111,414)	(122,682)

	2017 $	2016 $
CONDENSED STATEMENT OF CASH FLOWS		
Cash provided by (used in)		
Operations	34,216	47,283
Financing	(38,093)	(38,512)
Investing	12,000	12,000
Increase in cash	8,123	20,771

The Board's and CAFL's significant accounting policies are the same or similar except for the following:

- CAFL is subject to income taxes.
- CAFL uses the taxes payable method to account for income taxes whereby the expense (income) of the period consists only of the cost (benefit) of current income taxes for that period, determined in accordance with the rules established by taxation authorities.

7 Commitments

The Board is committed to an operating lease for a photocopier with yearly lease payments of $4,580 plus taxes, with the lease expiring in 2020. The Board is also committed to donating $12,500 to the Breakfast Clubs of Canada in 2018. During the 2017 fiscal year, the Board entered into three new commitments. The Board is committed to provide the Pacific National Exhibition with $12,500 for each of the next three years, $24,000 per year to the Rocks and Rings Foundation over the next two years, and lastly a commitment of $10,000 to The BC Lions Society in 2018.

The Board has issued letters of guarantees as at December 30, 2017 with Egg Farmers of Canada in the amount of $120,000 (December 31, 2016 - $120,000).

8 Guarantee

As at December 30, 2017, the Board has guaranteed a mortgage of CAFL, up to a maximum amount of $2,000,000 (December 31, 2016 - $2,000,000). Payment under this guarantee, which will remain in place until the maturity date of December 29, 2036, is required should CAFL default on its obligations. As at December 30, 2017, no liability has been recorded associated with this guarantee as CAFL has complied with the requisite mortgage payments.

Continued on following page

9 Line of credit

The Board has an available operating line of credit with the Royal Bank of Canada. The operating line entitles the Board to borrow a maximum of $500,000 with interest at the bank prime rate, and is secured by all assets of the Board. The operating line was not utilized as of December 30, 2017 or December 31, 2016.

10 Levies

Levies are imposed on egg producers by the Board and EFC. The Board acts as an agent to collect levies on EFC's behalf. These levies are not included in the Board's revenue.

	December 30 2017 $	December 31 2016 $
Total levies collected from egg producers	**30,552,731**	22,369,780
Less: levies and service fees remitted to EFC	**(25,291,565)**	(17,427,076)
Net levies - British Columbia Egg Marketing Board	**5,261,166**	4,942,704

11 Related party transactions

During the period, the Board paid rent in the amount of $134,458 (December 31, 2016 - $128,854) to CAFL. In addition, the Board accrued interest income in the amount of $54,000 (December 31, 2016 - $54,000) from CAFL.

In the normal course of business, the Board purchased eggs (net of levies) from egg producers that are controlled by directors in the amount of $14,592,411 (December 31, 2016 - $12,791,349).

During the period, the Board paid per diems and benefits to directors in the amount of $289,123 (December 31, 2016 - $263,706).

The Board provided operating grants to various egg producer associations in the amount of $111,300 (December 31, 2016 - $97,007).

These transactions are recorded at the exchange amount, which is the amount agreed to by the related parties.

12 Financial instruments

The Board, as part of its operations, carries a number of financial instruments. It is management's opinion that the Board is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments expect as otherwise disclosed.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Board is exposed to interest rate cash flows risk with respect to the advances made to CAFL.

During the period, the Board's net exposure to interest rate risk increased as a result of the increase in advances made to CAFL.

Liquidity risk
Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities. The Board's exposure to liquidity risk is dependent on the collection of accounts receivable.

During the period, the Board's liquidity risk decreased as a result of the decrease in accounts receivable.

Continued on facing page

Credit risk
The Board is exposed to limited credit risk resulting from the possibility that parties may default on their financial obligations. In addition, there is a concentration of transactions carried out with entities with similar economic conditions such that they could be similarly affected by changes in economic conditions. The Board does not directly hold any collateral such as security for financial obligations.

The Board believes that credit risk and concentration of credit risk are limited due to the quality of parties extending credit and the history the Board has with these entities. The Board maintains allowances for potential credit losses and any such losses to date have been within management's expectations. These allowances are determined by consideration of economic conditions, historical information, and accounts past due. The allowance is calculated on a specific identification basis. Amounts subsequently recovered which are written off are credited to the allowance in the period of recovery.

13 Pension plan

The Board's pension plan is administered by the Teamsters Union and is a defined contribution plan. Pension expense of $51,579 (December 31, 2016 - $44,248) has been included in the current period's salaries and benefits.

14 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

15 Subsequent events

Effective January 1, 2018, the Board restructured the advances made with CAFL to be entitled to receive

$1,675,685 without interest, while the remaining $2,243,845 will accrue interest at the Bank of Canada Prime Rate plus 0.5% per annum, calculated semi annually. Both portions of advances have no fixed terms of repayment, but are to be repaid within 30 days of demand.

Effective January 1, 2018, the Board advanced an additional $1,000,000 to CAFL. The advance accrues interest at the Bank of Canada Prime Rate plus 0.5% per annum, with interest payments due monthly. The amount has no fixed terms of repayment, but is to be repaid within 30 days of demand.

Continued on following page

BC Egg Marketing Board
Schedule of Expenses
52 week period ending December 30, 2017

	2017	2016
Administrative		
Amortization	**132,704**	194,964
Annual general meeting	**72,485**	97,883
Association grants	**111,300**	97,007
Committee, events, and membership	**221,399**	127,788
Insurance and legal	**89,957**	54,924
Miscellaneous	**42,491**	34,133
Office and maintenance	**152,379**	161,160
Production liaison officer	**14,271**	-
Professional development and scholarships	**41,957**	54,883
Professional services	**158,657**	218,051
Rent	**134,458**	128,854
Salaries and benefits	**1,106,237**	1,174,344
Travel	**81,472**	115,032
	2,359,767	2,459,023
Governance		
Travel and accommodation	**204,886**	187,320
Per diem and benefits	**289,123**	263,706
	494,009	451,026

	2017	2016
Marketing		
Education	**-**	4,841
Marketing programs	**168,967**	134,169
Marketing travel	**5,929**	5,484
Memberships	**-**	1,305
Promotions	**24,654**	26,894
Traceability	**13,001**	-
	212,551	172,693
Communication		
Communication programs	**28,740**	35,439
Miscellaneous	**486**	503
Spot promotions	**204,899**	117,001
Travel	**461**	3,206
	234,586	156,149
Producer rebate	**1,472,486**	-
Industrial product and other programs		
Industrial product costs - net of recoveries	**1,026,939**	1,267,636
EFP and Special EFP costs - net of recoveries	**323,154**	309,789
Fowl removal recoveries - net of costs	**(201,951)**	(369,297)
Farm pickup costs	**1,150,000**	1,150,000
Western pool costs	**57,885**	139,126
Other	**9,258**	9,546
	2,365,285	2,506,800
	7,138,684	5,745,691

Board Officers and Committees

As at December 30, 2017

Board Officers

Gunta Vitins
CHAIR

Jen Woike
VICE CHAIR

Fred Krahn
SECRETARY

Walter Siemens
EFC DIRECTOR

Amyn Alibhai
DIRECTOR

Council of Marketing Boards

Kristianne Hendricks

BCEMB Committees

AUDIT AND FINANCE COMMITTEE
Amyn Alibhai, Chair
Don Bernard
Art Friesen
Bodo Goetzke
Jim Timmerman

EGG INDUSTRY ADVISORY COMMITTEE
Marvin Friesen, Chair
Scott Brookshaw
Frank Curtis
Scott Janzen
Jon Krahn
Ralph Regehr
Mark Siemens
Mike Vanderpol

BC EGG PRODUCERS ASSOCIATION
Mark Siemens, Chair
Jon Krahn, Vice Chair
Dan Kampen
Matt Vane
Erv Wiens
Rob Regehr
Wayne Johnson
James Lockwood
Ian Woike

PRODUCTION MANAGEMENT COMMITTEE
Fred Krahn, Chair
Jake Esau
Scott Janzen
Jon Krahn
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